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September 24, 2018

Via Federal Express
Via Email

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Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review
Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

RECEIVED

SEP 25 2018

HEALTH FACILITIES &
SERVICES REVIEW BOARD

**Re: Northgrove Dialysis Project No. E-038-18
Relinquishment of Exemption**

Dear Ms. Avery:

On behalf of DaVita Inc. and Nahant Dialysis, LLC (collectively, "DaVita"), I am writing to notify the Illinois Health Facilities and Services Review Board (the "State Board") of DaVita's intent to relinquish the exemption Project. No. E-038-18. On July 24, 2018, the State Board approved the change of ownership of Northgrove Dialysis. Subsequent to approval of the certificate of exemption, the parties to the proposed change of ownership decided to no longer pursue a joint venture for the Northgrove Dialysis clinic. Accordingly, DaVita respectfully requests the State Board approve its request to relinquish its exemption for Northgrove Dialysis (Proj. No. E-038-18).

1. Project Description

On July 24, 2018, the State Board approved a related party change of ownership of Northgrove Dialysis, a 12 station dialysis clinic to be located at 2491 Industrial Drive, Highland, Illinois. The proposed transaction would result in a transfer of the assets from Total Renal Care, Inc. to Nahant Dialysis, LLC. The purpose of the proposed transaction was to allow joint venture partners to invest in the dialysis clinic.

2. Reason for Relinquishment

Since the approval of the certificate of exemption, DaVita's proposed joint venture partner decided it would not invest in the Northgrove Dialysis clinic. There are no other



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potential joint venture partners, so a joint venture for this clinic is no longer viable. Further, single-member limited liability companies are considered disregarded entities for tax filing and are not eligible to enroll in the Illinois Medicaid program. In order to ensure, Northgrove Dialysis can accept Medicaid patients, it needs to revert back to the original organizational structure with Total Renal Care, Inc. as the operating entity.

If you have any questions pertaining to this request, or need additional information, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read 'A.M.C.', written in dark ink.

Anne M. Cooper

Enclosure

cc: Mary J. Anderson, DaVita Inc.
Jill-Glaser Abernathy, DaVita Inc.